

Insight aims to provide useful information, links and tips in the areas of Risk Management, Occupational Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

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Management of Psychosocial Risks

Psychosocial hazards such as bullying and harassment in the workplace represent a WHS risk as potentially damaging as any physical injury.

However, many workplaces fail to develop and implement appropriate controls to manage this risk, thus failing to fulfil their duties under WHS legislation.

A more robust approach, such as applying the hierarchy of controls to these risks, can assist organisations to safeguard their workers and fulfil their obligations.

The traditional hierarchy of control provides guidance regarding the efficacy of control measures for managing identified physical hazards. The controls are applied to minimise the risk, so far as is reasonably practicable, when elimination of the hazard is not possible; with the higher order controls (substitution, elimination and engineering controls) utilised as a priority, and the remaining residual risk managed via administrative controls and PPE.

The hierarchy of controls assumes the hazard is of a physical nature, and is not directly applicable to non-physical risks, however a similar hierarchical approach can be taken to developing and implementing controls for psychosocial risks.



Organisations could, for example, develop & implement controls for psychosocial risks in the following order:

- Organisational Work Redesign: Alter workloads, pace, resource availability, decision-making involvement etc. to promote greater sense of control over the workplace for workers and remove or minimise psychosocial risks
- Recognition in Management Systems: Develop and implement policies and procedures that assist in identifying psychological risk factors and promote psychological wellbeing for workers. Provide training and programs to support this
- Building a Management Culture: Promote a culture within management that values worker psychological wellbeing and not just worker productivity, including providing judgement-free feedback mechanisms for workers
- Proactive Wellbeing Strategies: Provide resilience training, role migration etc. for workers who are at risk of, or struggling with, psychological ill-health
- Individual Support: Through the provision of an employee assistance program or similar.

Please [contact QPMC](#) for more information.

Enterprise Risk Oversight

The concept of enterprise risk management (ERM) has been around for long enough to be largely accepted as a normal part of doing business. It is rare for large public and private sector organisations not to have a formal ERM program, and even small businesses will usually have applied some of the principles of ERM even if not the strict documentation of them.

However, once ERM programs have been developed and implemented, there is some question as to whether ongoing oversight is sufficient to ensure organisations are gaining full value and protection from their programs.

Official and effective oversight of the ERM program should be developed as a part of the *Monitoring and review* stage as described in clause 4.5 of ISO 31000 *Risk management*. This stage should involve activities such as regularly checking that the ERM program is still accurate, appropriate and effective, and reporting on risk management performance to the Board and/or senior management team.

Unfortunately, once the energy to identify risks and prepare risk treatment plans has been expended, it is all too easy for the monitoring and reporting processes to receive minimal attention. The lack of effective oversight resulting from poor risk monitoring and reporting processes will undermine the ERM program and may result in negative consequences arising from unidentified or poorly managed risks.

To achieve effective ERM oversight and maximise the value of the program to your organisation, it is key to ensure that the following processes are in place:



- Regular review of the status of implementation of the risk treatments
- Regular review and re-analysis of the identified and emerging risks
- Reporting to Board/senior management of high-ranking risks, the change in the risk profile, and progress towards risk treatment plan implementation
- Ensuring that the Board/senior management is receiving risk reporting information in a suitable form for inclusion in the strategic planning process
- Consideration of whether risk is being managed differently across the organisation (silos) and how to re-integrate any differences
- Regular review of the overall currency and effectiveness of the ERM program e.g. an annual review
- Developing and monitoring Key Risk Indicators for risk in the same way that Key Performance Indicators are used for productivity and quality.

Please [contact QRMC](#) for more information.



Holiday Wishes

This edition of Insight is the final for 2015. The first edition in the New Year will be issued in February 2016.

QRMC Risk Management Pty Ltd will be closing over the Christmas period, from close of business Friday 18 December, reopening Monday 4 January 2016.

QRMC wishes all our clients, supporters and readers a relaxing, happy and safe holiday season. We look forward to your company in the New Year!



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**RISK MANAGEMENT
SAFETY MANAGEMENT
BUSINESS CONTINUITY MANAGEMENT
MANAGEMENT SYSTEMS**

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